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Asking the Do-Gooders to Prove They Do Good

By JON CHRISTENSEN

Wanting to know how a charity or foundation spends the millions it collects, or, more important, whether the programs it runs do any good, would seem reasonable, even necessary, to most people.

But reasonableness and need have never been sufficient to put ideas into practice. There are millions of these groups — commonly referred to as nongovernmental organizations, or NGO's — worldwide, but few are subjected to that kind of meaningful oversight, say the specialists studying NGO accountability.

For some advocates that lack of oversight is a blessing. "Any attempt to explain, formalize and/or hold accountable the NGO community is dangerous," writes Rob Gray, a professor at the Center for Social and Environmental Accounting Research at Glasgow University, in response to the report "The 21st Century NGO: In the Market for Change." That study, published in June by SustainAbility, an international consulting company, concluded that an "accountability squeeze" was one of the major challenges facing nonprofit organizations.

Even activists like Ralph Nader and the anti-globalization firebrand Naomi Klein, who have often been at the forefront of efforts demanding accountability from corporations and governments, have lashed out at calls for holding NGO's similarly responsible. Mr. Nader, for example, objected to a new NGO Watch Web site (ngowatch.org) created this summer by the conservative American Enterprise Institute — itself an NGO — as a politically motivated effort to "go after liberal or progressive NGO's." Ms. Klein likened it to a "McCarthyite blacklist." So far the Web site lists more than 160 NGO's, with links to information about their finances, support and programs.

"They should take a pill," said Danielle Pletka, a vice president of the American Enterprise Institute, referring to the Web site's critics. "It is in all of our interests to have NGO's, even NGO's we agree with, be accountable and transparent and have a role in international institutions that is clear to everybody." She added, "I don't think there's any disagreement from the left or the right."

Yet even the majority who think that NGO's should be accountable do not agree on how to accomplish that goal. Should donors or recipients judge success? Should achievement be measured by those within the organization or by an independent watchdog? And what exactly should be measured? Short-term improvements or harder-to-assess long-term investments? Compiled statistics or individual interviews?

Until recently NGO's were thought to be exempt from traditional oversight; their do-good nature and the commitment of their participants were thought to be sufficient to produce positive results. The oversight that does exist is generally focused on matters like preventing fraud. Hardly any are required to show whether their programs actually accomplish what they are supposed to. But with the enormous increase in their numbers and power, that has changed.

"Accountability is the central issue of our time," writes Coralie Bryant, a Columbia University professor who has done a survey of international emergency-relief organizations.

Humanitarian organizations were forced to confront the issue of accountability by the horrifying failure of their missions in Rwanda in 1994. During the mass killings there, refugee camps were used as recruiting and refueling stations by organized bands of killers. The Humanitarian Accountability Project ultimately grew out of the self-examination that followed. Dozens of organizations created systems to try to measure their nonfinancial performance, Lisa Jordan, a program officer with the Ford Foundation, writes in a forthcoming collection of scholarly essays.

One such group was ActionAid, a nonprofit organization that spends more than $120 million a year fighting hunger and poverty in 30 countries. It decided to require annual reports with voluminous amounts of data from its field programs, said Antonella Mancini, head of the impact assessment unit at ActionAid in London.

"We realized we had no end of upward accountability systems in place," Ms. Mancini said, referring to reports from the field to headquarters, "but what we really didn't know was what difference our work was making." So in 1998 ActionAid threw out the system and started over. Although the organization acknowledges that it is accountable to its 150,000 donors, to governments and to its own board, it has decided that its primary accountability is to the poor people, especially women and children, that it serves, she added.

So ActionAid now measures its performance from their point of view, Ms. Mancini explained. The organization has ditched complicated, standardized reporting forms in favor of narratives and personal accounts and even videos for communities where illiteracy is the norm. And the people who are supposed to benefit from the programs decide along with the program managers whether the initiatives are succeeding and how they should be changed, Ms. Mancini said.

But others are skeptical of relying solely on aid recipients for assessments. Charles F. Sabel, a professor of law and social science at the Columbia Law School, said that two methods of holding NGO's accountable had evolved, and that both were unsatisfactory. The first is the board, which is directly analogous to a corporate board and only crudely analogous to shareholders.

The second is to require reporting of services or activities, Mr. Sabel said. "Since it's hard to measure effectiveness, people tend to subside to something simpler," he said. "What did you do? Was the process fair? Did you do what you said you would do? Can you guarantee the money wasn't used in a corrupt way? Then people realize this isn't very helpful, so they say, let's have some authentic story."

Mr. Sabel proposes "learning by monitoring" as an evolving form of accountability. "Even though people can't specify what's effective and what's not, and they can't make an effective model for the right solution, they can improve enough to make it better the next round," he said. "And that is a kind of accountability."

To Ms. Jordan of the Ford Foundation, "accountability is always political."

The tools for measuring, she notes in her essay, "are developed by someone, made for someone, using a select method," To her, then, it is not surprising that many monitoring systems were developed to "answer questions about NGO's that donors feel need to be answered," she writes.

But she is troubled by this approach. "What's wrong with all this activity?" she says in her essay. "Plenty. In some circumstances they can be quite helpful, but in other circumstances they are inadequate, they do not address the needs of the NGO's, they are divorced from missions, they do not address moral obligations."

Indeed, in her survey Ms. Bryant of Columbia found that the NGO's that were least dependent on donor financing were often most effective at evaluating their own work and learning. The reason, she wrote in a research paper, is that the search for rapid results "can mean either pushing for quick fixes or insisting upon digging up the seedling to examine its roots before it can bear fruit."

Alnoor Ebrahim, an assistant professor of urban affairs and planning at Virginia Polytechnic Institute, has researched how NGO's in India have responded to demands for measuring and reporting results over the last decade. He found that grass-roots organizations had been very wily in subtly resisting demands to report to donors, while also complying just enough so that the spigot of money had not been turned off.

They are not the only ones, some critics say. One World Trust, itself an NGO, compared accountability among 18 NGO's, corporations and intergovernmental agencies earlier this year. Some NGO's scored lower on access to information and member control than the agencies and corporations they have sometimes criticized, like the World Bank and Microsoft, wrote Jon Entine, an adjunct fellow at the American Enterprise Institute, in the August issue of Ethical Corporation magazine.

In his new book, "NGO's and Organizational Change: Discourse, Reporting and Learning" (Cambridge University Press, 2003), Mr. Ebrahim tells the story of the Aga Khan Rural Development Program in India, which was forced by international pressure to track 89 different statistics, like births and deaths, farm yields and school graduations, in the rural villages where it was working.

The reams of data were compiled for annual reports, but the field workers said they were not very useful for their day-to-day efforts. So the workers also recorded three or four significant observations in each village they visited, like whether farmers planted mustard instead of peanuts. This information turned out to be much more useful in spotting emerging trends and determining the most effective programs, Mr. Ebrahim said.

"I think it's a general assumption that the more rigorous you can make performance measurement, the better," he added. "And in principle that's not a bad idea. But in reality it takes scarce resources away. So there's an opportunity cost. If we were to focus instead on measures that make a difference, rather than measures that are countable, I think we would have more accountability."